

SENATE BILL 2602

By Marrero B

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 7, Part 1, relative to coal severance tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Coalfield Development Act".

SECTION 2. Tennessee Code Annotated, Section 67-7-101, is amended by deleting the section in its entirety and by substituting instead the following language:

As used in this part, unless the context otherwise requires,

(1) "Coal products" means coal ore and any other substance that might be severed from the earth by the process of producing salable coal, by whatever method of severance used; and

(2) "Gross value of coal" means the sale price less freight expenses.

SECTION 3. Tennessee Code Annotated, Section 67-7-104, is amended by deleting the section in its entirety and by substituting instead the following language:

The measure of the tax on all coal products severed from the ground in this state shall be:

(1) On or after July 1, 2009, through June 30, 2011, fifty cents (50¢) per ton; and

(2) On or after July 1, 2011, five percent (5%) of the gross value of the coal.

SECTION 4. Tennessee Code Annotated, Section 67-7-110, is amended by adding the following language as a new subsection:

(d) All revenues collected under this part on or after July 1, 2011, shall be allocated as follows:

(1) One-third (1/3) of such revenues shall be remitted by the commissioner to the state treasury to be deposited in the general fund;

(2) One-third (1/3) of such revenues shall be remitted by the commissioner to the state treasury to be deposited in the Tennessee surface mine reclamation fund established in § 59-8-326; and

(3) One-third (1/3) of such revenues shall be allocated to the county from which such coal products were severed to be used for increasing the energy efficiency of public buildings, tourism and economic development, job retraining programs and scholarship programs for county residents to attend a program leading to a general educational development certificate (GED) from a state-approved institution, vocational schools, and state institutions of higher education.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.